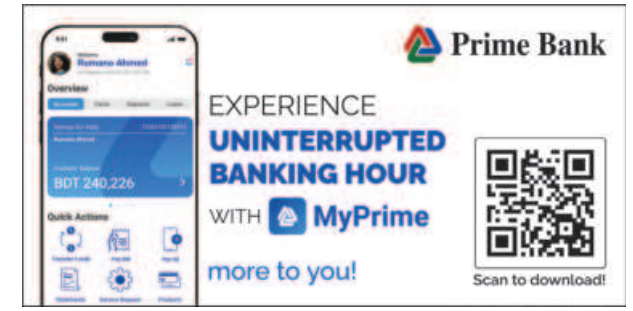


Star BUSINESS



Number of Tk 1cr deposit holders surges

STAR BUSINESS REPORT

Deposits in 3,362 more bank accounts went past Tk 1 crore in the April-June period of 2023.

This means there were 113,554 bank accounts in total with more than Tk 1 crore in deposits at the end of June, according to Bangladesh Bank.

Three months earlier, there were 110,192 such accounts.

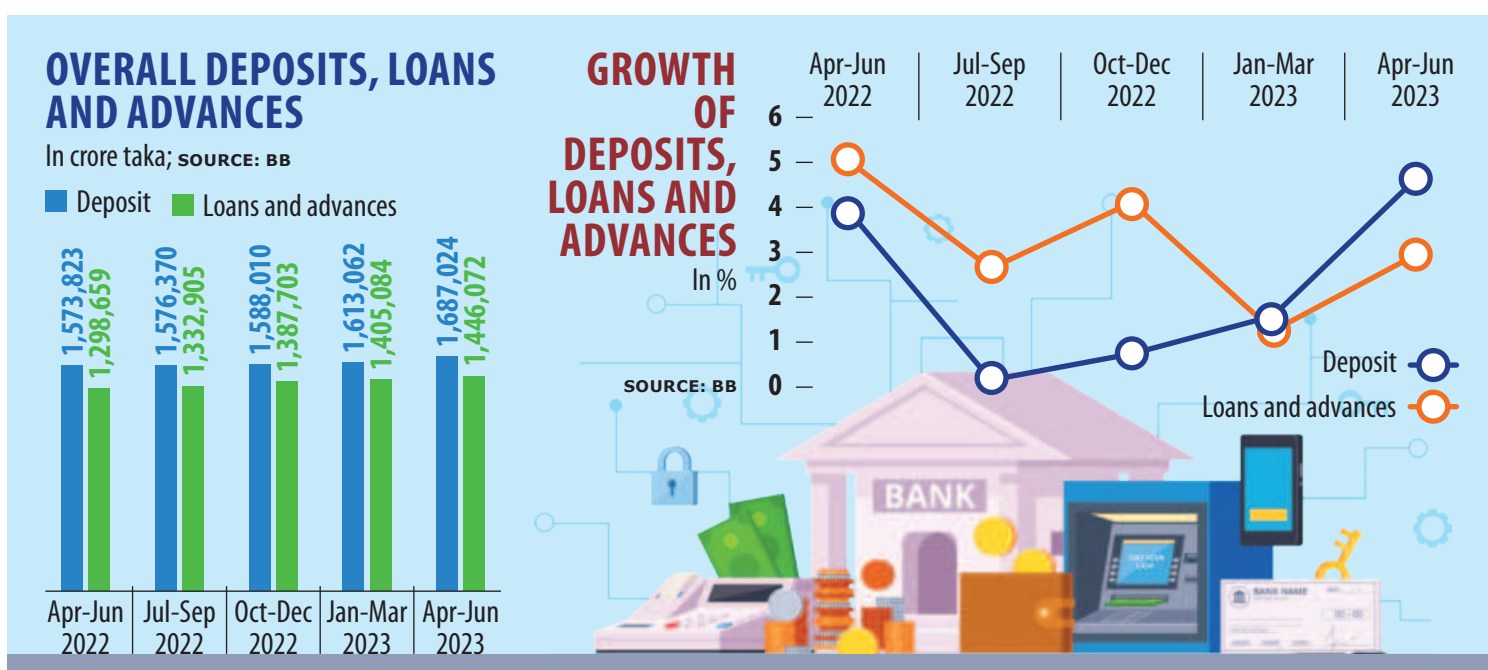
These accounts do not all belong to individuals. There are many institutions besides individuals that keep more than Tk 1 crore in the bank.

Moreover, one organisation or individual can own more than one of such accounts. Among them are accounts of various government institutions and organisations worth crores of taka.

There was Tk 731,332 crore in the 113,554 accounts at the end of June. This accounted for 43 percent of all the deposits in the banking sector.

In contrast, the 110,192 accounts at the end of March had Tk 690,877 crore, accounting for 32.28 percent of the sector's overall deposits.

The rise in money in such accounts in such a short span of time, all the while low-income people are struggling to bear their daily expenses for inflationary pressure, gives an indication that economic inequality is rising, according to analysts.



Banks' lending slows for liquidity crunch

AHSAN HABIB

The banking sector's lending growth squeezed in the April to June quarter owing to a shortage of liquidity at most banks and their unwillingness to extend credits to borrowers already struggling to pay back, official figures showed.

The lending of scheduled banks grew 2.92 percent to Tk 14,46,072 crore in the second quarter compared to the first quarter, according to the data of the central bank.

In April-June of 2022, the lending rose 5 percent to Tk 12,98,659 crore.

"The business in the banking sector squeezed due mainly to

a higher inflation rate and a pressure on the macro-economic indicators stemming from the Russia-Ukraine war," said Syed Mahbubur Rahman, a former chairman of the Association of Bankers, Bangladesh.

"So, the loan growth declined."

He said since many entrepreneurs could not make letter of credit payments, banks have been forced to turn them into forced loans, pushing up the volume of credits in the second quarter.

The lending growth, however,

almost doubled compared to the January to March quarter, when it stood at 1.25 percent.

"This is mainly because of the forced loans," Rahman said.

The noted banker said banks are not willing to lend under the current circumstances and this is evidenced from their lower-than-usual lending to SMEs and the agricultural sector.

Sector-wise, the bulk of the loans and advances went to the trading segment at the end of the second quarter, which accounted for 33.84 percent of the total credits. Working capital financing made up 19.68 percent of loans and term loans represented 20.32 percent.

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Provident funds to pay 27.5% tax

Come under compulsory return filing for first time

SOHEL PARVEZ

Companies and organisations will be required to file tax returns on the income generated by employee welfare funds from the current fiscal year and pay a 27.5 percent tax on the earnings.

The Income Tax Act 2023 incorporates the provision, lifting the tax exemption and amnesty on the compulsion to file returns for funds such as provident funds, gratuity funds and workers' profit participation funds maintained by the private sector.

The law, however, has exempted government-managed provident funds from taxation, raising questions.

TIM Nurul Kabir, executive director of the Foreign Investors' Chamber of Commerce & Industry, said there were many other avenues to collect tax.

"Employees benefit from provident funds after their retirement. So, the authority should not slap taxes on retirement benefit."

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Flat 6,311.07	0.08% 18,663.39

COMMODITIES	
Gold ▲	Oil ▲
\$1,935.47 (per ounce)	\$92.47 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.36% 67,596.84	▼ 0.87% 33,242.59	▼ 0.69% 3,240.75	▼ 0.03% 3,124.96

Foreign loan utilisation slightly down

MD ASADUZ ZAMAN

Utilisation of foreign assistance under the government's Annual Development Programme (ADP) by ministries and divisions has slightly declined year-on-year in the first two months of fiscal year 2023-24.

Around Tk 3,367 crore was spent, which was a decrease of 5.87 percent, according to data from the

Implementation Monitoring and Evaluation Division (IMED).

Local government division (LGD) spent the most among the 15 ministries and divisions that receive the highest allocations.

This government unit, responsible for developing and supporting local government bodies, spent Tk 2,504 crore, which is around one third of that allotted to the 15.

"The government could not launch that many new projects in the current fiscal year including some foreign funded projects as they do not have much money," said economist Ahsan H Mansur.

"Due to delays in land acquisition, some projects could not run smoothly," he told The Daily Star yesterday.

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শুভেচ্ছা ও অভিনন্দন

SCCI প্রেসিডেন্ট সার্ব চেম্বার অব কমার্স অ্যান্ড ইন্ডাস্ট্রি (এসসিসিআই)

FBCCI প্রেসিডেন্ট ফেডারেশন অব বাংলাদেশ চেম্বার অব কমার্স অ্যান্ড ইন্ডাস্ট্রি (এফবিসিসিআই)

জনাব মো: জাসিম উদ্দিন
চেয়ারম্যান, বেঙ্গল কমার্শিয়াল ব্যাংক লিমিটেড সাবেক প্রেসিডেন্ট, এফবিসিসিআই

জনাব মাহবুবুল আলম
ভাইস চেয়ারম্যান, বেঙ্গল কমার্শিয়াল ব্যাংক লিমিটেড সাবেক প্রেসিডেন্ট, চট্টগ্রাম চেম্বার অব কমার্স অ্যান্ড ইন্ডাস্ট্রি

বেঙ্গল কমার্শিয়াল ব্যাংকের সম্মানিত চেয়ারম্যান জনাব মো: জাসিম উদ্দিন সার্বচেম্বার অব কমার্স অ্যান্ড ইন্ডাস্ট্রি প্রেসিডেন্ট নির্বাচিত হওয়ায় বেঙ্গল কমার্শিয়াল ব্যাংকের পক্ষ থেকে প্রাণঢালা কভেজা ও অভিনন্দন।

বেঙ্গল কমার্শিয়াল ব্যাংকের সম্মানিত ভাইস চেয়ারম্যান জনাব মাহবুবুল আলম দেশের ব্যবসায়ীদের শীর্ষ সংগঠন এফবিসিসিআই এর প্রেসিডেন্ট নির্বাচিত হওয়ায় বেঙ্গল কমার্শিয়াল ব্যাংকের পক্ষ থেকে প্রাণঢালা কভেজা ও অভিনন্দন।

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Payment service providers can bring remittance

STAR BUSINESS REPORT

Bangladesh Bank yesterday allowed licensed payment service providers (PSPs) to bring inward wage remittances with the aim to increase remittance inflow.

The central bank took the decision at a time when the country's foreign exchange reserves continue to go down due to slow forex earning against high demand for imports.

Bangladesh Bank issued a notice saying that licensed PSPs will be allowed to repatriate wage earners' remittance in association with internationally recognised online payment gateway service providers, banks, digital wallets, card schemes and foreign PSPs.

The banking regulator took the decision to enable more flexibility in earning remittance, said the notice.

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